

## Message Text

UNCLASSIFIED

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70

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 DODE-00 INR-10 NSAE-00 PA-04 USIA-15 PRS-01

COME-00 L-03 DRC-01 /153 W

----- 101858

R 271005Z MAR 74

FM AMEMBASSY MBABANE

TO SECSTATE WASHDC 6161

INFO AMCONSUL CAPE TOWN

AMEMBASSY BLANTYRE

AMEMBASSY DAR ES SALAAM

AMCONSUL DURBAN

AMEMBASSY GABORONE

AMCONSUL JOHANNESBURG

AMEMBASSY LISBON

AMEMBASSY LONDON

AMCONSUL LOURENCO MARQUES

AMEMBASSY LUSAKA

AMEMBASSY MASERU

AMEMBASSY PRETORIA

AMEMBASSY NAIROBI

UNCLAS MBABANE 0549

E.O. 11652: N/A

TAGS: EFIN, WZ

SUBJECT: SWAZILAND TO ESTABLISH ITS OWN CURRENCY

1. MINISTER FINANCE ROBERT STEPHENS ANNOUNCED IN BUDGET SPEECH (SEPTEL) MARCH 26 THAT SWAZILAND TO ESTABLISH ITS OWN CURRENCY WITHIN RPT WITHIN RAND MONETARY AREA WITH EFFECT FROM SEPTEMBER 6, 1974. THE NEW CURRENCY, TO BE CALLED EMALANGENI, WILL BE BACKED 100 PERCENT BY RAND, ON PAR VALUE WITH RAND, AND FREELY CONVERTIBLE WITH RAND WITH NO RPT NO EXCHANGE RESTRICTIONS BETWEEN EMALANGENI

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AND RAND MONETARY AREA.

2. MINFINANCE WAS AT PAINS TO EMPHASIZE THAT SWAZILAND'S INTRODUCTION OF OWN CURRENCY WOULD REPRESENT "PRACTICALLY NO CHANGE TO MAN IN THE STREET" AS EMALANGENI WOULD BE INTERCHANGEABLE WITH RAND. NEGOTIATIONS HAD BEEN SUCCESSFULLY COMPLETED AND AGREEMENT SIGNED SIX DAYS AGO WITH SOUTH AFRICA ESTABLISHING NEW SYSTEM WITH RAND TO BACK EMALANGENI.

3. PURPOSE OF INTRODUCTION OF NEW CURRENCY SAID MINFINANCE WAS TO ASSURE THAT SWAZILAND ENJOYED BENEFIT OF RETURN ON NOTES AND CURRENCY CIRCULATING WITHIN SWAZILAND. UNDER PRESENT SYSTEM, BENEFIT OF CURRENCY CIRCULATING WITHIN SWAZILAND ACCRUES TO RESERVE BANK OF SOUTH AFRICA AND NOT TO SWAZILAND.

4. COMMENT: THIS FURTHER MOVE AFTER ESTABLISHMENT ROYAL INSURANCE COMPANY AND BANK ACT (TO BE PUBLISHED MARCH 29) IN DIRECTION OF SWAZILAND CONTROLLING AND USING CAPITAL GENERATED INTERNALLY.

5. AIRGRAM ON BUDGET SPEECH TO FOLLOW.  
SPICER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAND (CURRENCY), CURRENCIES, EMALANGENI  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MBABAN00549  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740066-0520  
**From:** MBABANE  
**Handling Restrictions:** n/a  
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**Line Count:** 84  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AF  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** martinml  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 JUL 2002  
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**Review Exemptions:** n/a  
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30 JUN 2005

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SWAZILAND TO ESTABLISH ITS OWN CURRENCY  
**TAGS:** EFIN, WZ  
**To:** STATE  
**Type:** TE  
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